

**The Times of India** 24.10.2014

## **BMC babus' bribe rate card for builders: Rs 1,200 a square feet**

MUMBAI: Corrupt officials in the BMC's building proposals department are extorting huge sums from developers to clear legal projects. The situation is such that recently a group of 25 top builders met to decide on approaching senior department officials to seek reasonable bribe rates.

The new development control rules introduced two years ago leave no scope for manipulation or illegality in building plans. So, engineers intentionally delay sanctioning projects to pressure builders to pay up. Any delay in starting a building project could cause severe loss to developers, who procure loans at interest rates as high as 24%.

Sources said the three engineers arrested by the anti-corruption bureau (ACB) in the E-Ward office in Byculla on Monday had "crossed all limits" in their demands. "The complainant was a small builder, who was at his wits end and was forced to approach the ACB to trap these officers," said industry insiders.

One of the engineers was earlier posted at the Kandivli office, but was transferred to the Byculla division following complaints from builders in the western suburbs. On Tuesday, civic chief Sitaram Kunte told TOI that the three engineers have been suspended following their arrests for allegedly accepting Rs 15 lakh in bribe.

Industry sources said the bribe demands are mind-boggling: Rs 1,200 a sq ft in the island city, Rs 800 a sq ft between Bandra and Andheri, and up to Rs 600 a sq ft in the eastern suburbs. "It could cost a builder Rs 5-30 crore, depending on the size of the project," said industry sources. Builders complained that despite complaints, the civic administration has failed to rein in these rogue officials.

"I have repeatedly asked the Maharashtra chamber of housing industry to complain against any official who demands a bribe," said Kunte. "It is an ethical issue and very difficult to control."

Construction industry insiders said corruption increased manifold after the development control rules were amended in 2011 to curb the discretionary powers of officials to favour certain builders.

"Since such powers are gone, officers now hold back files and demand huge sums from builders just to sanction what is laid down in law," said architect Shirish Sukhatme. Probably the most sought-after posting is in the Bandra (West) section. For over a decade, a local politician-turned-builder used to

influence transfers of officers in this section. The Bandra-Khar-Santa Cruz belt is witness to some of the most blatant building violations, with skyscrapers permitted to be built on extremely narrow plots.

"In the 1980s, builders would voluntarily give 'bakshish' to officers for clearing files as a goodwill gesture. Today, these officers demand it as a right as they know builders are making super profits," said an industry source.

Several builders said that at every stage, officers and engineers demand Rs 5-20 lakh for basic permissions to start construction. "The all-important occupation certificate could set back a developer by over Rs 1 crore," they said.

In 2012, the civic administration issued a circular to speed up building approvals, curb corruption and fix responsibility for delays. But it was conveniently buried.

The circular stipulated a maximum of 60 days for plans to be approved and warned department staff that "any lapse" in approving plans within the period would be "viewed seriously". Former municipal commissioner Subodh Kumar issued it after complaints that officials delayed approvals by seeking irrelevant information, forcing developers to part with bribes.

But over the past few years, a gang of professional blackmailers claiming to be RTI activists have connived with BMC engineers to extort money from builders. A false complaint to the BMC could stall work for a couple of months.

Any delay results in losses. A builder prefers to pay up. "Sometimes, civic officers themselves tell us to settle with these people," said a developer. He alleged that some BMC employees were hand-in-glove with extortionists and could well be guiding them.